

31A-22-806 Provisions of policies and certificates.

- (1) All credit life insurance and credit accident and health insurance shall be evidenced by an individual policy, or, in the case of group insurance, by a certificate of insurance delivered to the debtor.
- (2) Each of these types of policies or certificates shall, in addition to satisfying the requirements of Chapter 21, Insurance Contracts in General, set forth:
 - (a) the name and home office address of the insurer;
 - (b) the identity, by name or otherwise, of the persons insured;
 - (c) the rate, premium, or amount of payment by the debtor, if any, given separately for credit life insurance and credit accident and health insurance;
 - (d) a description of the amount, term, and coverage, including any exceptions, limitations, and restrictions;
 - (e) that the benefits shall be paid to the creditor to reduce or extinguish the unpaid indebtedness; and
 - (f) that whenever the amount of insurance exceeds the unpaid indebtedness, that excess is payable to a beneficiary, other than the creditor, named by the debtor or to the debtor's estate.
- (3) Except as provided in Subsection (4), the policy or certificate shall be delivered to the debtor within 30 days after the date when the indebtedness is incurred.
- (4)
 - (a) If the policy or certificate is not delivered to the debtor within 30 days after the date the indebtedness is incurred, a copy of the application for the policy or a notice of proposed insurance shall be delivered to the debtor.
 - (b) The application or the notice shall be signed by the debtor and shall set forth:
 - (i) the name and home office address of the insurer;
 - (ii) the name of the debtor;
 - (iii) the premium or amount of payment by the debtor, if any, separately for credit life insurance and credit accident and health insurance; and
 - (iv) the amount, term, and a brief description of the coverage provided.
 - (c) The copy of the application for or notice of proposed insurance, shall also refer exclusively to insurance coverage, and shall be separate from the loan, sale, or other credit statement of account or instrument, unless the information required by this Subsection (4)(c) is prominently set forth therein.
 - (d) Upon acceptance of the insurance by the insurer and within 60 days after the later of the date on which the indebtedness is incurred or the date on which the credit life or credit accident and health policy was purchased, the insurer shall deliver the individual policy or group certificate of insurance to the debtor.
 - (e) The application or notice shall state that upon acceptance by the insurer, the insurance is effective as provided in Section 31A-22-805.
- (5) If the named insurer does not accept the risk, the debtor shall receive a policy or certificate of insurance setting forth the name and home office address of the substituted insurer and the amount of the premium to be charged. If the premium is less than that set forth in the notice of proposed insurance, an appropriate refund shall be made.
- (6) If a creditor makes available to the debtors more than one plan of credit life or credit accident and health insurance, all debtors shall be informed of the plans applicable to the specific type of loan transaction for which the debtor is applying.

Amended by Chapter 297, 2011 General Session

